

**Arbors of Hop Brook
403 west Center Street
Manchester CT 06040**

March 3, 2022

Written testimony of Paul T. Liistro, CEO, Arbors of Hop Brook CCRC Concerning Committee on AGING Bill 5193—An Act Concerning Rent Increases, Fee Increases and Changes in Residency Status at Continuing Care Facilities and Managed Residential Communities.

Good afternoon members of the Aging Committee. My name is **Paul T. Liistro**. I am **CEO, Arbors of Hop Brook CCRC** in Manchester Connecticut. **Arbors of Hop Brook** has been providing independent living options, assisted living and nursing home care in our community for 34 years. We offer accommodations in 114 apartment homes and a 126-bed nursing home, we have 225 employees working at our facility, and we are members of the Connecticut Association of Health Care Facilities – CT Center for Assisted Living (CAHCF/CCAL).

I am testifying today to oppose Bill 5193 as it would jeopardize the financial fundamentals of a CCRC.

The program in a continuing care retirement community (CCRC) is a complicated set of dynamics. A resident (s) ‘matriculates’ willingly motivated by the desire for ‘community’ with the idea of needing greater services, e.g., meal preparation, transportation, housekeeping, assisted living (AL) and/or short- or long-term care in a skilled nursing facility (SNF). These people are planners. They have planned all their lives to be prepared for the next stage in life. They are independent thinkers, self-sufficient, financially prepared and seek no financial help from the government at any level.

The CCRC is modeled to provide many services based on the age and actuarial need of the resident population as it ages in place, transfers to higher levels of care like AL or SNF care.

The CCRC needs to provide the services of a hospitality nature in a country club atmosphere, AL support with activities of daily living through and including 24-hour skilled nursing care. The community has to budget based on the needs of the community which is dictated by age and gender. The residents typically pay an entrance fee (refundable in degrees) and a monthly fee. The costs of a younger population in the community tend to be more stable and predictable than an older resident population. Nothing about the financial dynamics of the CCRC come close to approximating costs at the CPI level due to residents who ‘ageing in place’ which costs more at various levels of care.

The capping of increases at the CPI level is not practical as the costs of a CCRC vary considerably as the resident population ages. It is tantamount to capping fees for insurance premia, hospital charges, and other health care providers. The unintended consequences would be to slowly ‘starve’ the community of necessary financial resources resulting in an unstable community in CT. In periods of high inflation, as we are experiencing currently, uncertain financial viability would be a real possibility.

Finally, the CCRC market is allowing the individual to ‘self-insure’ their own future healthcare in a surrounding of their choosing. If more people chose this option, the state would spend far less in the LTC Medicaid program.

Thank you. I would be happy to answer any questions you may have.